

**Keith Williams  
President & CEO**

**Remarks at the US Consumer Product Safety Commission (CPSC) and  
PRC State Administration for Quality Supervision Inspection and Quarantine (AQSIQ)**

**Product Safety Summit**

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Thank you, AQSIQ and CPSC for convening this inaugural Safety Summit. We appreciate your inclusion of the US and Chinese private sectors. We look forward to discussing the impact of globalization on commerce and product safety, how the public-private partnership can advance product safety while facilitating trade, and how our collaboration can enhance public safety.

**The Safety and Trade Nexus**

The environment in which we are all now working is increasingly complex, especially because of globalization and trade liberalization. Manufacturers have globalized their production processes and supplier networks. Alibaba has created a global cyber market, where the smallest manufacturer in China can meet the smallest customer in the United States. Supply chains literally stretch around the world and manufacturers employ "design anywhere, build anywhere" concepts. There is constant pressure on manufacturers to reduce costs and accelerate time-to-market to maximize revenue and market share.

What constitutes the sphere of "safety" is also changing. Stakeholders today are concerned not only about such traditional product safety issues as fire, shock, and casualty, but also environmental health and safety issues as evidenced by hazardous substances in raw materials and end products.

With standards and conformity assessment systems affecting roughly 80 percent of traded goods, the economic impact for manufacturers of meeting requirements in multiple markets is huge. Standards developers and testing and certification organizations are faced with the challenge of designing compliance solutions for manufacturers that meet regulators' confidence needs in the least invasive ways possible.

**The Product Safety Continuum**

Safety certification is a comprehensive package that goes way beyond initial evaluation of the product. It begins with the development of relevant standards through open and transparent processes that enables all stakeholders to participate. Whenever possible, it means collaborating with counterparts around the globe to introduce globally relevant standards. The initial testing and certification process would not be meaningful if a comprehensive follow-up program were omitted from the continuum. Such surveillance programs facilitate a checks and balances system to help assure product compliance over the long run. In a world where counterfeiters are increasingly savvy, certification organizations must raise their vigilance to ensure that counterfeit safety certification marks do not enter the marketplace. The globally interconnected world increasingly is exposed to the dark economy – discount outlets, unbranded products, often unsafe, and though only occasionally counterfeit, are adverse to

public safety and commercial transparency. While these actors are not sitting at the table, their presence is felt.

### **Safety Lessons Learned**

The ultimate responsibility rests with the seller to sell a product that complies with the applicable safety requirements. Manufacturers' must always increase efforts to produce new products with safety compliance in mind. Compliance with safety requirements ultimately contributes to both product effectiveness and brand integrity; and, therefore, has as much a place in early product design specifications as reliability, maintainability and performance. Addressing product hazards – real or perceived – during the product design cycle is one of the best ways for manufacturers to enhance the probability of compliance, to speed time to market of new products, to minimize costs associated with product recalls or noncompliance issues, and to protect a company's brand/image.

### **Partnering for a Safer World**

The testing organizations, industry associations, and companies represented here today, among others, have long collaborated with CPSC to identify, investigate, and mitigate product hazards for consumers. The public-private partnership has proven successful in establishing objective and meaningful test methods and requirements when CPSC engages in rulemaking. Collaboration also often extends to consumer education and awareness, partnering on product recalls and other public notices as well as media campaigns during holiday seasons. Open communication and information sharing lead to greater safety gains for consumers. In fact, this is one of the great strengths of the US system – a desire for safety.

The testing community stands ready to serve as partners with CPSC and AQSIQ, retailers, industry, and other stakeholder groups to advance product safety. Some of the areas for increased cooperation include:

- partnering with AQSIQ and Chinese manufacturers and associations to train manufacturers on hazard-based safety engineering principles. These best practices can help curtail product failures, reduce compliance costs, and help build product acceptance with consumers and retailers, all the while building a culture of safety.
- partnering with retailers and importers on safety messaging and incorporating compliance into procurement. In the United States, US-based importers of products are as liable as product manufacturers for the quality and safety of products. Retailers and importers need to have mechanisms in place and tools at their fingertips to distinguish between legitimate and counterfeit or inferior products and to assure products comply with relevant voluntary standards and technical regulations.
- partnering with government agencies, retailers, and manufacturers to build consumer awareness about behavioral practices that go hand in hand with product safety.
- partnering with government agencies to address the challenges that counterfeiting poses to certification marks, be it the UL, CSA, ETL or the CCC mark. Certification organizations work hard to ensure that counterfeits stay out of the market place and therefore do not impair product safety. UL's "zero tolerance" policy regarding misuse of its certification marks has helped keep 10s of millions of dollars worth of counterfeit products out of the US market each year. Over the past 10 years, our efforts have resulted in more than 1,100 US Customs seizures and the training of more than 1,400 US Customs personnel. We have partnered with Interpol and the Royal Canadian Mounted Police. We would welcome the opportunity to partner with AQSIQ and other relevant Chinese agencies on a variety of training programs and anti-counterfeiting initiatives.

- partnering in the development of standards and certification schemes within China and in international forums to assure that safety standards reflect the broadest possible input and uniform safety requirements. Such participation also decreases the likelihood that a standard or technical regulation will act as a technical barrier to trade.

**Concluding Remarks**

China has come an amazing distance in establishing itself as a manufacturing powerhouse in a relatively short time. And AQSIQ, SAC, and CNCA are to be commended for efforts to establish a standards and conformity assessment framework that reflects local needs and international practice. By entering into dialogues such as the Safety Summit, we can all work to further help China's industries and facilitate the sale of safer products for both the domestic and international marketplace.